

COMMITTEE REPORT

MADAM PRESIDENT:

The Senate Committee on Education and Career Development, to which was referred Senate Bill No. 281, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 6-1.1-21-2 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 2. As used in this
5 chapter:
6 (a) "Taxpayer" means a person who is liable for taxes on property
7 assessed under this article.
8 (b) "Taxes" means property taxes payable in respect to property
9 assessed under this article. The term does not include special
10 assessments, penalties, or interest, but does include any special charges
11 which a county treasurer combines with all other taxes in the
12 preparation and delivery of the tax statements required under
13 IC 6-1.1-22-8(a).
14 (c) "Department" means the department of state revenue.
15 (d) "Auditor's abstract" means the annual report prepared by each
16 county auditor which under IC 6-1.1-22-5, is to be filed on or before
17 March 1 of each year with the auditor of state.
18 (e) "Mobile home assessments" means the assessments of mobile
19 homes made under IC 6-1.1-7.
20 (f) "Postabstract adjustments" means adjustments in taxes made
21 subsequent to the filing of an auditor's abstract which change
22 assessments therein or add assessments of omitted property affecting

1 taxes for such assessment year.

2 (g) "Total county tax levy" means the sum of:

3 (1) the remainder of:

4 (A) the aggregate levy of all taxes for all taxing units in a
5 county which are to be paid in the county for a stated
6 assessment year as reflected by the auditor's abstract for the
7 assessment year, adjusted, however, for any postabstract
8 adjustments which change the amount of the aggregate levy;
9 minus

10 (B) the sum of any increases in property tax levies of taxing
11 units of the county that result from appeals described in:

12 (i) IC 6-1.1-18.5-13(4) and IC 6-1.1-18.5-13(5) filed after
13 December 31, 1982; plus

14 (ii) the sum of any increases in property tax levies of taxing
15 units of the county that result from any other appeals
16 described in IC 6-1.1-18.5-13 filed after December 31, 1983;
17 plus

18 (iii) IC 6-1.1-18.6-3 (children in need of services and
19 delinquent children who are wards of the county); minus

20 (C) the total amount of property taxes imposed for the stated
21 assessment year by the taxing units of the county under the
22 authority of IC 12-1-11.5 (repealed), IC 12-2-4.5 (repealed),
23 IC 12-19-5, or IC 12-20-24; minus

24 (D) the total amount of property taxes to be paid during the
25 stated assessment year that will be used to pay for interest or
26 principal due on debt that:

27 (i) is entered into after December 31, 1983;

28 (ii) is not debt that is issued under IC 5-1-5 to refund debt
29 incurred before January 1, 1984; and

30 (iii) does not constitute debt entered into for the purpose of
31 building, repairing, or altering school buildings for which the
32 requirements of IC 20-5-52 were satisfied prior to January 1,
33 1984; minus

34 (E) the amount of property taxes imposed in the county for the
35 stated assessment year under the authority of IC 21-2-6
36 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a
37 cumulative building fund whose property tax rate was initially
38 established or reestablished for a stated assessment year that
39 succeeds the 1983 stated assessment year; minus

40 (F) the remainder of:

41 (i) the total property taxes imposed in the county for the
42 stated assessment year under authority of IC 21-2-6

(repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus (ii) the total property taxes imposed in the county for the 1984 stated assessment year under the authority of IC 21-2-6 (repealed) or any citation listed in IC 6-1.1-18.5-9.8 for a cumulative building fund whose property tax rate was not initially established or reestablished for a stated assessment year that succeeds the 1983 stated assessment year; minus (G) the amount of property taxes imposed in the county for the stated assessment year under:

- (i) IC 21-2-15 for a capital projects fund; plus
- (ii) IC 6-1.1-19-10 for a racial balance fund; plus
- (iii) IC 20-14-13 for a library capital projects fund; plus
- (iv) IC 20-5-17.5-3 for an art association fund; plus
- (v) IC 21-2-17 for a special education preschool fund; plus
- (vi) IC 21-2-11.6 for a referendum tax levy fund; plus
- (vii) an appeal filed under IC 6-1.1-19-5.1 for an increase in a school corporation's maximum permissible general fund levy for certain transfer tuition costs; plus
- (viii) an appeal filed under IC 6-1.1-19-5.4 for an increase in a school corporation's maximum permissible general fund levy for transportation operating costs; minus

(H) the amount of property taxes imposed by a school corporation that is attributable to the passage, after 1983, of a referendum for an excessive tax levy under IC 6-1.1-19, including any increases in these property taxes that are attributable to the adjustment set forth in IC 6-1.1-19-1.5 or any other law; minus

(I) for each township in the county, the lesser of:

- (i) the sum of the amount determined in IC 6-1.1-18.5-19(a) STEP THREE or IC 6-1.1-18.5-19(b) STEP THREE, whichever is applicable, plus the part, if any, of the township's ad valorem property tax levy for calendar year 1989 that represents increases in that levy that resulted from an appeal described in IC 6-1.1-18.5-13(4) filed after December 31, 1982; or
- (ii) the amount of property taxes imposed in the township for the stated assessment year under the authority of IC 36-8-13-4; minus

(J) for each participating unit in a fire protection territory

established under IC 36-8-19-1, the amount of property taxes levied by each participating unit under IC 36-8-19-8 and IC 36-8-19-8.5 less the maximum levy limit for each of the participating units that would have otherwise been available for fire protection services under IC 6-1.1-18.5-3 and IC 6-1.1-18.5-19 for that same year; minus

(K) for each county, the sum of:

(i) the amount of property taxes imposed in the county for the repayment of loans under IC 12-19-5-6 (repealed) that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or for property taxes payable in each year after 1995, the amount determined under IC 12-19-7-4(b); and

(ii) the amount of property taxes imposed in the county attributable to appeals granted under IC 6-1.1-18.6-3 that is included in the amount determined under IC 12-19-7-4(a) STEP SEVEN for property taxes payable in 1995, or the amount determined under IC 12-19-7-4(b) for property taxes payable in each year after 1995; plus

(2) all taxes to be paid in the county in respect to mobile home assessments currently assessed for the year in which the taxes stated in the abstract are to be paid; plus

(3) the amounts, if any, of county adjusted gross income taxes that were applied by the taxing units in the county as property tax replacement credits to reduce the individual levies of the taxing units for the assessment year, as provided in IC 6-3.5-1.1; plus

(4) the amounts, if any, by which the maximum permissible ad valorem property tax levies of the taxing units of the county were reduced under IC 6-1.1-18.5-3(b) STEP EIGHT for the stated assessment year; plus

(5) the difference between:

(A) the amount determined in IC 6-1.1-18.5-3(e) STEP FOUR; minus

(B) the amount the civil taxing units' levies were increased because of the reduction in the civil taxing units' base year certified shares under IC 6-1.1-18.5-3(e).

(h) "December settlement sheet" means the certificate of settlement filed by the county auditor with the auditor of state, as required under IC 6-1.1-27-3.

(i) "Tax duplicate" means the roll of property taxes which each county auditor is required to prepare on or before March 1 of each year under IC 6-1.1-22-3.

(j) "Eligible property tax replacement amount" is equal to the sum of the following:

(1) Sixty percent (60%) of the total county tax levy imposed by each school corporation in a county for its general fund for a stated assessment year **after the school corporation's gained student levy amount is added and the school corporation's lost student levy amount is subtracted.**

(2) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on real property for a stated assessment year.

(3) Twenty percent (20%) of the total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) imposed in a county on tangible personal property, excluding business personal property, for an assessment year.

(k) "Business personal property" means tangible personal property (other than real property) that is being:

- (1) held for sale in the ordinary course of a trade or business; or
- (2) held, used, or consumed in connection with the production of income.

(l) "Taxpayer's property tax replacement credit amount" means the sum of the following:

(1) Sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year.

(2) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property.

(3) Twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property.

(m) "Tax liability" means tax liability as described in section 5 of this chapter.

(n) "General school operating levy" means the ad valorem property tax levy of a school corporation in a county for the school corporation's general fund.

(o) "Gained student" for a school corporation means a student who transfers into the school corporation (that is not the student's

1 **base school corporation) under IC 20-8.1-16.**

2 **(p) "Lost student" for a school corporation means a student who**
 3 **transfers out of the school corporation (that is the student's base**
 4 **school corporation) to another school corporation under**
 5 **IC 20-8.1-16.**

6 **(q) "Per capita levy" for a school corporation means the total**
 7 **general fund levy of the school corporation divided by the ADM (as**
 8 **defined in IC 21-3-1.6-1.1) of the school corporation.**

9 **(r) "Gained student levy amount" means a school corporation's**
 10 **per capita levy multiplied by the number of gained students for the**
 11 **school corporation.**

12 **(s) "Lost student levy amount" means a school corporation's per**
 13 **capita levy multiplied by the number of lost students for the school**
 14 **corporation."**

15 Page 6, line 27, delete "fifty percent (50%)".

16 Page 6, line 28, delete "of".

17 Page 6, after line 42, begin a new line double block indented and
 18 insert:

19 **"(C) Notify the department of state revenue of the number**
 20 **of lost students and gained students under this chapter in**
 21 **each school corporation for the department of state**
 22 **revenue's use under IC 6-1.1-21."**

23 Renumber all SECTIONS consecutively.

(Reference is to SB 281 as introduced.)

and when so amended that said bill do pass .

Committee Vote: Yeas 6, Nays 3.

Senator Lubbers, Chairperson